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Financing of the United Nations Interim Administration Mission in Kosovo

Performance report on the budget of the United Nations Interim Administration Mission in Kosovo for the period from 1 July 2005 to 30 June 2006

Report of the Secretary-General

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Summary

The present report contains the performance report for the budget of the United Nations Interim Administration Mission in Kosovo (UNMIK) for the period from 1 July 2005 to 30 June 2006.

The total expenditure for UNMIK for the period from 1 July 2005 to 30 June 2006 has been linked to the Mission's objective through a number of results-based frameworks, grouped by components, namely, substantive civilian, rule of law and support.

Performance of financial resources

(Thousands of United States dollars. Budget year is from 1 July 2005 to 30 June 2006.)

			Variance	
Category	*Apportionment*	*Expenditure*	*Amount*	*Percentage*
Military and police personnel	66 625.2	70 230.2	(3 605.0)	(5.4)
Civilian personnel	138 234.9	135 815.5	2 419.4	1.8
Operational costs	35 029.7	27 707.9	7 321.8	20.9
Gross requirements	**239 889.8**	**233 753.6**	**6 136.2**	**2.6**
Staff assessment income	20 054.1	19 321.3	732.8	3.7
Net requirements	**219 835.7**	**214 432.3**	**5 403.4**	**2.5**
Voluntary contributions in kind (budgeted)	—	—	—	—
Total requirements	**239 889.8**	**233 753.6**	**6 136.2**	**2.6**

Human resources incumbency performance

Category	*Approved*[a]	*Planned (average)*	*Actual (average)*	*Vacancy rate (percentage)*[b]
Military observers	38	38	37	2.6
United Nations police	2 195	1 800	1 690	6.1
Formed police units	743	532	538	(1.1)
International staff	765	729	603	17.3
National staff	2 555	2 375	2 276	4.2
Temporary positions				
International staff	—	—	—	—
National staff	—	—	—	—
United Nations Volunteers	250	250	191	23.6

[a] Represents the highest level of authorized strength.
[b] Based on monthly incumbency and approved monthly strength.

The actions to be taken by the General Assembly are set out in section V of the present report.

I. Introduction

1. The budget for the maintenance of the United Nations Interim Administration Mission in Kosovo (UNMIK) for the period from 1 July 2005 to 30 June 2006 was set out in the report of the Secretary-General of 21 December 2004 (A/59/633) and amounted to $240,379,400 gross ($220,325,300 net). It provided for 38 military liaison officers, 2,195 United Nations police officers, 743 formed police personnel, 765 international staff, 2,555 national staff, inclusive of 13 National Officers, and 250 United Nations Volunteers. The Advisory Committee on Administrative and Budgetary Questions, in paragraph 33 of its report of 14 March 2005 (A/59/736/Add.1), recommended that the General Assembly appropriate the amount of $240,264,800 gross ($220,210,700 net) for the maintenance of the Mission for the 12-month period from 1 July 2005 to 30 June 2006.

2. The General Assembly, by its resolution 59/286 B of 22 June 2005, appropriated the amount of $239,889,800 gross ($219,835,700 net) for the maintenance of the Mission for the period from 1 July 2005 to 30 June 2006. This amount was assessed on Member States.

II. Mandate performance

3. The mandate of UNMIK was established by the Security Council in its resolution 1244 (1999) of 10 June 1999.

4. The Mission is mandated to help the Security Council achieve an overall objective, namely, to promote the establishment, pending a final settlement, of substantial autonomy and self-government in Kosovo (Serbia).

5. Within this overall objective, the Mission has, during the performance report period, contributed to a number of accomplishments by delivering related key outputs, shown in the frameworks below. These frameworks are grouped by components: substantive civilian, rule of law, and support.

6. The present report assesses actual performance against the planned results-based frameworks set out in the 2005/06 budget. In particular, the performance report compares the actual indicators of achievement, that is, the extent to which actual progress has been made during the period against the expected accomplishments, with the planned indicators of achievement, and the actually completed outputs with the planned outputs.

Component 1: substantive civilian

Expected accomplishment 1.1: stable, efficient and democratic Kosovo Provisional Institutions of Self-Government (PISG), ensuring respect for community rights, accountability, impartiality and professionalism

Planned indicators of achievement	*Actual indicators of achievement*
Representation of all communities, at all levels of the PISG, in accordance with the decreed representational ranges	The official target set by the Provisional Institutions of 16.6 per cent minority participation at the central level and the fair-share employment targets at the local level, including people employed in parallel structures, was not met. In the central government institutions the figure was 11.4 per cent, while in municipalities the figures available suggested 13.4 per cent
PISG, and central and municipal-level assemblies, enact legislation fully adhering to the relevant rules of procedure	The Assembly of Kosovo held 18 plenary, 1 extraordinary and 5 special sessions in which 35 laws were approved, including 21 promulgated by the Special Representative of the Secretary-General, with all laws having fully adhered to the relevant rules of procedure Municipal-level assemblies enacted legislation in accordance with the relevant rules of procedure Serious procedural violations as stipulated in the Assembly's rules of procedure, including non-adherence to the agenda and the denial of members' right to speak, decreased significantly in the first 6 months of 2006. UNMIK intervened in 3 cases at the municipal level (Gjakovë/Djakovica, Malisheve/Malisevo and Ferizaj/Urosevac) to ensure compliance with the rules of procedure. In one of these cases (Gjakovë/Djakovica), the Special Representative of the Secretary-General issued an executive decision setting aside decisions of the Municipal Assembly
Per capita allocation from Kosovo Consolidated Budget for health care and education for minority communities on par with that of the majority population	Per capita allocation from the Kosovo Consolidated Budget to majority and minority communities achieved parity based on population estimates 4 municipalities failed to comply with the fair-share financing requirements
Elected officials and public servants found to have committed unethical, fraudulent or corrupt behaviour are disciplined	4 of 12 municipal directors in Gjakovë/Djakovica charged with corruption and malfeasance in the course of official duties (one case closed, three cases pending in court) 13 officials dismissed or suspended for misconduct and unethical behaviour (one in the Ministry of Health, one in the Ministry of Education, one in the Ministry of Culture, Youth and Sports and 10 in the Ministry of Local Government Administration)

Devolution of competencies from central level to new municipalities	The Special Representative of the Secretary-General signed in August 2005 an executive decision which established the territorial delineation of five pilot municipal units, of which three had been successfully launched
	A memorandum of understanding on support for the gradual transfer of responsibilities and competencies from parent municipalities to pilot municipal units was signed by 3 pilot municipal units in June 2006, under the auspices of the Ministry of Local Government Administration
	Municipal assemblies and mandatory committees established in 3 pilot municipal units
	The functioning of municipal administrations commenced with chief executive officers and directors selected
Absorbed Serbian "parallel structures", in particular in the fields of education and health care, into the structures of the new municipalities	No new municipalities established
	No Serbian parallel structures existed in the 3 pilot municipal units

Planned outputs	*Completed (number or yes/no)*	*Remarks*
Determination of minimum representation standards, based on population criteria, for municipal-level offices	Yes	Minimum representation standards for municipal-level offices established by UNMIK on 20 December 2005 based on population criteria
Review of laws to ensure compliance with the Constitutional Framework and rules of procedure, including provisions for consultative process	Yes	21 laws promulgated by the Special Representative of the Secretary-General upon review of their compliance with the Constitutional Framework and rules of procedure and with the necessary consultations held
Advice to and assistance to PISG capacity-building in areas of administration reserved to UNMIK	Yes	Two series of training seminars held for 11 PISG officials of the Ministry of Culture, Youth and Sports on the conservation and maintenance of cultural heritage and the setting up and maintenance of a digital database for the inventory of architectural and archaeological heritage
	19	Technical training programmes held for 38 border and boundary officers (subjects covered included Integrated Border Management Strategies (6 programmes), Food Safety Principles and Legislation (3 programmes), Veterinary and Phytosanitary Legislation and its Implementation (3 programmes), Veterinary and Phytosanitary Procedures (5 programmes) and Administrative Matters such as proper financial reporting procedures (2 programmes)
		Drafting and technical writing support provided in speech writing, correspondence drafting and other protocol-

		related matters (external relations with international organizations and Member States)
		Advice provided to the PISG Ministry of Agriculture, Forestry and Rural Development on cooperation procedures between the UNMIK Agriculture Border Control Service and other Ministry institutions (Department of Plant Production, Kosovo Veterinary and Food Agency), including through a Ministry of Agriculture, Forestry and Rural Development workshop on agriculture and rural development as part of the ongoing European Union-sponsored Stabilization and Tracking Mechanism, aimed at ensuring European Union-compatible practices
		Organization of 5 orientation briefings by United Nations agencies and other relevant stakeholders (United Nations Development Programme, United Nations High Commissioner for Refugees, Organization for Security and Cooperation in Europe, the UNMIK Office of Communities, Returns and Minorities and the Kosovo Property Agency/Housing and Property Directorate) for political advisers and senior civil servants
		Facilitated agreement between the PISG and UNDP for on-the-job training of staff, particularly in return-related jobs
Advice to and monitoring of 10 transferred ministries and the Office of the Prime Minister to ensure compliance with legal framework	Yes	Monitored and assessed the performance of ministries on the implementation of the Standards for Kosovo with particular focus on human rights and minority communities issues
	50	Weekly coordination and information-sharing meetings with Deputy Ministers and their senior staff
		Oversight of budget management at the central and municipal levels through direct participation in budget preparations, monitoring of fiscal balances, Standards implementation and the Auditor General
Execution of non-transferable governance functions relating to civil registrations, issuance of travel documents, and cross-border operations, jointly with one newly recruited co-director for each function	Yes	A Joint PISG-UNMIK Working Group on Civil Registration recommended in August 2005 that only one local director (for the Central Processing Centre) be appointed. The recommendation to appoint co-directors for civil registration, cross-border operations and issuance of travel documents was thus rescinded
		While managerial and operational responsibilities in the Central Processing Centre (CPC) and the Municipal Civil Registration Centres (MCRCs) were transferred to the PISG, UNMIK retained law-making, law-enforcement and ultimate authority over the Central Registry Database

		and continued to be the final authority for travel documents issued
Attendance of 360 municipal assembly meetings, 1,050 municipal committee meetings and 1,400 board of directors meetings to monitor progress and to intervene as necessary to ensure good governance	330	Municipal assembly meetings Lower output attributable to fewer actual meetings
	680	Meetings of mandatory committees held (360 meetings of the Policy and Finance Committee, 200 of the Communities Committee and 120 of the Mediation Committee)
	480	Meetings of other sector committees (education, urban planning, health, social welfare)
	1,080	Board of directors' meetings Lower output attributable to fewer actual meetings In addition, advice provided on 240 occasions on applicable law, human rights and standards of good governance through consultations, official meetings, training and in writing leading to remedial action taken by the PISG
Provision of advice to the Independent Oversight Board and assistance in establishing internal audit units within the PISG	Yes	Advice on and clarification of the role of internal and external audit to the PISG through the Ministry of Economy and Finance. Internal audit units were part of the budgetary monitoring process in accordance with the internal audit law passed by the Assembly and awaiting promulgation by the Special Representative of the Secretary-General
Promulgation of a copyright law, freedom of information law, civil law on defamation, freedom of association law, and local self-government law	No	Copyright law adopted by the Assembly of Kosovo, reviewed by the Office of Legal Affairs of the United Nations Secretariat, but not promulgated by the Special Representative of the Secretary-General owing to drafting shortcomings in the text adopted by the Assembly (legislation was technically deficient from a legal point of view, inappropriately drafted, not in compliance with relevant European standards. An amended text was promulgated by the Special Representative of the Secretary-General in October 2006); a freedom of information law, a freedom of association law and a local self-government law are being drafted at the Assembly; the civil law on defamation adopted by the Assembly was under review by the Office of Legal Affairs (to be promulgated in the 2006/07 budget period)

Advice on implementation of PISG projects on reform of local self-government in 15 local communities throughout Kosovo, including 5 projects involving non-majority communities	Yes	Provided advice on and monitored implementation of 3 pilot municipal units (Junik/Junik, Hani i Elezit/Đeneral Janković and Mamushë/Mamuša) established in August 2005
		The political process designed to determine Kosovo's future status, launched in October 2005 under the auspices of the Office of the Special Envoy for Kosovo, has shifted the focus on decentralization from the Pristina-based process and forms part of the overall political future status process
	8	Technical and administrative support to the Office of the Special Envoy for the future status process for Kosovo on reform of local self-government with respect to Vienna meetings
	15	Field trips undertaken throughout Kosovo in support of the Office of the Special Envoy to locations of proposed new municipalities in liaison with local stakeholders
	40	Proposals reviewed and evaluated (from PISG, Belgrade authorities, the Serb List for Kosovo and the Metohija party (Kosovo Serbs) and the Office of the Special Envoy) on the delineation of new municipal boundaries
	3	Proposals reviewed (one from Belgrade, one from Pristina and one from the Office of the Special Envoy) on the transfer of competencies from central institutions to the proposed new municipal units
		PISG proposals for joint management of the city of Mitrovica with an eventual future international presence reviewed
Monitoring of implementation of anti-discrimination legislation and intervention, as necessary, to ensure that basic public and social services are provided without discrimination to all communities	Yes	Monitored distribution of 700 brochures and 14,000 booklets on the anti-discrimination law in the Albanian, Serbian, Roma and Bosnian languages
		Monitored implementation of anti-discrimination legislation by civil administration teams in 7 sub-municipalities and the Mitrovica region and recommended intervention as necessary
		Advocated for and assisted in the establishment of advisory offices on good governance, human rights, equal opportunities and gender issues in accordance with anti-discrimination legislation
Advice to the independent and multi-ethnic Central Elections Commission Secretariat on the 2006 municipal elections	Yes	The Special Representative of the Secretary-General, upon consultation with political parties and all stakeholders, issued a determination on 16 June 2006, on the postponement of municipal elections in Kosovo, to

		enable the PISG and political parties to maintain their focus on the future status process
	50	Weekly meetings of the Central Election Commission (CEC) secretariat
		Advice and support through the participation of the Special Representative in deliberations for the establishment of CEC committees for budget, personnel and procurement. The input and views of the Special Representative, when sought, rendered additional credibility to decisions. (The committees have contributed to a 37.5-40 per cent reduction in monthly expenditure of CEC and its secretariat from €40,000-€50,000 in early 2005 to €25,000- €30,000 in June 2006)
	1	Field pilot project on the assessment of the accuracy of civil registry data as the basis for the voters' list launched in June 2006
		Advanced management and communication training held for 30 CEC secretariat Municipal Election Officers (four-week course in November-December 2005)
Implementation of the Kosovo Action Programme for Gender Equality and oversight of the establishment of the Inter-ministerial Council for Gender Affairs, Gender Affairs Officers in Ministries and Municipal Gender Offices	Yes	The Office for Gender Equality in the Office of the Prime Minister was fully staffed at the end of 2005
		Provided coaching on legal and strategic planning and expert support, including technical assistance for the preparation of the gender equality strategy of the Kosovo Development Plan, the identification of gender-sensitive objectives for the European Partnership Priorities (functioning of democratic institutions, violence against women, human trafficking, protection of minorities) and the outline of the Kosovo Action Programme for Gender Equality to the PISG Office for Gender Equality. (As at the end of 2006, the Kosovo Action Programme for Gender Equality was yet to be finalized)
		The Office of the Prime Minister was advised on the establishment of a consultative and coordination body to enhance coherence in gender mainstreaming (Inter-ministerial Working Group established in February 2006). Gender Affairs Officers were recruited in all ministries
		The Office of the Prime Minister was also advised on the formalization of responsibilities of the Municipal Gender Affairs Officers in compliance with the Law on Gender Equality as well as the Administrative Instruction on the Determination of Competencies and Description of Duties of Officers for Gender Equality in the Municipalities

		(Administrative Instruction signed by the Ministry of Local Government Administration on 5 December 2005 on the formalization of the responsibilities and reporting structure of Municipal Gender Affairs Officers, who report to the Office for Gender Equality)
Provision of regular policy direction on evaluated and approved Kosovo Protection Corps (KPC) activities	Yes	The KPC Coordinator provided regular policy direction and advice to KPC on the conduct of its mandated activities in order to promote its development into a multi-ethnic, modern and professional civil emergency organization
Media campaigns in support of the Kosovo Standards Implementation Plan and the Standards for Kosovo, including publication of the bimonthly magazine *Focus Kosovo*, the biweekly newsletter *Danas i Sutra* (*Today and Tomorrow*), and television and radio programmes covering Standards for Kosovo-related issues and aimed at minority communities with little access to main media	Yes	58 articles related to Standards and Standards implementation, 89 related to minorities and 54 related to the economy published in *Focus Kosovo* and *Danas i Sutra* (*Today and Tomorrow*) 111 stories related to Standards and Standards implementation, 106 related to minorities and 69 related to the economy broadcast on television shows *Ekonomia e Re* (*New Economy*) and *Danas i Sutra* (*Today and Tomorrow*); United Nations Report broadcast in Albanian and Serbian on Radio and Television Serbia and Radio and Television Kosovo 9 public service announcements delivered to 3 television stations in support of respect for all communities 249 daily radio programmes transmitted in 3 languages on 15 stations 3,580 photographs produced 181 UNMIK-online web press releases 56 web online UNMIK press briefings
52 press briefings, 210 press releases and daily contacts with journalists	Yes	75 press briefings, 250 media alerts, 185 press releases, 1,507 press announcements/statements, 365 compilations and translations of local headlines, 261 local media reports and 488 international clippings for more than 1,000 subscribers including United Nations Headquarters, agencies, European Union, OSCE, other international organizations and diplomatic missions in Kosovo

Expected accomplishment 1.2: protection of minority rights, including freedom of movement and the right to return

Planned indicators of achievement	*Actual indicators of achievement*
Development of cross-community initiatives, such as establishment of Local Crime Prevention Councils to improve the security environment for communities, developed by municipal and central-level authorities	PISG workplan established in December 2005 on the integration of minority communities through programmes promoting integration and cultural diversity A 3-year World Bank Grant Agreement for Kosovo Youth Development aimed at social cohesion and inter-ethnic interaction and cooperation with a special emphasis on improving the relationship between Kosovo Albanians and Kosovo Serbs, signed in April 2006 30 Local Crime Prevention Councils established in all municipalities during the period July to December 2005 were converted into 30 Municipal Community Safety Councils, chaired by the Municipal President, and included community representatives as appropriate, following the UNMIK regulation promulgated on 20 December 2005 on the Framework and Guiding Principles of the Kosovo Police Service 18 local Public Safety Committees established by the Kosovo Police Service in multi-ethnic municipalities at the level of local communities
Anti-Discrimination Law is basis for addressing discriminatory acts or practices, evidenced by the number of filed cases	Pursuant to the provisions of the Anti-Discrimination Law, the Prime Minister signed subsidiary legal instruments (Administrative Instruction No. 05/2006 on the organization and functioning of officers for the submission of complaints and appeals on 31 May 2006 and Administrative Instruction No. 04/2006 on applying the Anti-Discrimination Law on 24 May 2006)
Increased participation by community members in senior posts in the PISG from 2 to 6	Five Ministers and Deputy Ministers from minority communities were appointed (one in the Ministry of Health, one in the Ministry of Internal Affairs, two in the Ministry of Communities and Returns, and one in the Ministry of Culture, Youth and Sports)

Planned outputs	*Completed (number or yes/no)*	*Remarks*
Monitoring of and regular meetings with the Advisory Office on Communities in the Office of the Prime Minister and the Office of the Inter-ministerial Coordinator for Returns to increase their capacity to support the Government in fulfilling its human rights and returns-related responsibilities	No	The Advisory Office on Communities and the Office of the Inter-ministerial Coordinator were dissolved in December 2004, upon the creation of the Ministry of Communities and Returns, with their respective mandates merged under the new Ministry. Despite an agreement reached between the Prime Minister and the Minister of Communities and Returns, the staff of the Advisory Office on Communities never joined the new Ministry. Expertise was lost owing to the non-retention of staff

Commencement of resolution of cases within the framework of Anti-Discrimination Law	1	Court case filed in March 2006 on the grounds of lack of access to education and it remained pending as at 30 June 2006 before the Supreme Court
Advice to Municipal Community Offices in all 27 mixed community municipalities on integration into municipal government structures, allocation of resources and development of operation workplans	Yes	Municipal Community Officers were advised on operational issues and have become an integral part of municipal government structures. Heads of Municipal Community Offices regularly participated in the work of municipal boards of directors and coordinated their plans with the rest of the municipal administration. All employees belonged to the Kosovo civil service
Advice to the PISG on organizing meetings with donors, donor conferences and donors' visits to returns sites to mobilize funding for returns projects	No	A joint UNMIK/PISG/UNHCR donor conference to support returns projects was originally planned for mid-October 2005. Following a joint decision of the Special Representative of the Secretary-General and the Prime Minister to have a consolidated donor appeal for all PISG priority projects, funding for returns was streamlined into the appeal. The donor appeal was postponed from October 2005 to February 2006. The terms of reference for the appeal had been limited to the energy sector and midterm needs for capital improvements, thus omitting returns
Meetings with the Prime Minister, the Minister of Finance and Economy and other PISG leaders to advocate government support for the returns process	Yes	Weekly advocacy meetings with key Kosovo leaders, including the Ministers of Communities and Returns and Finance and Economy. Protocol with Belgrade on Returns, signed on 6 June 2006, which contributed to the PISG commitment to the returns process (over €8,800,000 in allocations recommended for the 2006 fiscal year for returns projects) Organized a multi-ethnic peace concert in Mitrovice/Mitrovica in May 2006
Resolution of all remaining outstanding claims out of a total of 29,000 housing property claims registered by the deadline of 1 July 2003 for claims submission	Yes	The Housing and Property Directorate/Housing and Property Claims Commission, established by UNMIK and co-funded with a number of donor partners, adjudicated all but one of the 29,155 claims received
Establishment of a resolution mechanism with regard to claims for agricultural and private commercial property	Yes	The Kosovo Property Agency, established on 4 March 2006 by UNMIK Regulation 2006/10 on the resolution of claims relating to private immovable property, including agricultural and commercial property, to receive, register and assist the courts in resolving conflict-related private immovable claims (including those related to agricultural and commercial property), to enforce related decisions and to administer abandoned properties The UNMIK Regulation of 23 June 2006 stipulated that persons involved in agricultural activities were obliged to keep a record of agricultural land use or ownership

Expected accomplishment 1.3: improved relations between Pristina and Belgrade

Planned indicators of achievement	*Actual indicators of achievement*
Continued dialogue between Pristina and Belgrade, and reaching agreements on resolving practical issues of mutual concern between Pristina and Belgrade on missing persons, returns, energy, transport and communications	A total of 6 meetings by the 4 Working Groups on Direct Dialogue (alternating between Pristina and Belgrade) on the issues of missing persons, returns, energy, transport and communications
	Cultural coordinators from Pristina and Belgrade held meetings in February and April 2006 and agreed to establish 4 working groups on issues relating to return of documents, artefacts, archaeology and exchange of artists
	Pristina and Belgrade delegations to the Returns Working Group met informally on several occasions to finalize the Protocol on Returns, which was signed on 6 June 2006. The Returns Working Group reached agreement that technical working group(s) would be created to oversee the implementation of the Protocol
Commenced PISG/Belgrade high-level meetings in preparation for a Future Status political process	The political process designed to determine Kosovo's future status commenced on 24 October 2005
	The first meeting at the ministerial level between the representatives of the PISG and Belgrade on decentralization and cultural issues was held in February 2006
	4 rounds of direct talks between the parties on decentralization (cultural heritage, religious sites and economic issues) held between February and June 2006 under the auspices of the Office of the Special Envoy

Planned outputs	*Completed (number or yes/no)*	*Remarks*
Organization of and participation in regular meetings of the Pristina and Belgrade Working Groups on Direct Dialogue, including provision of logistical arrangements	6	Meetings of the Pristina and Belgrade Working Groups on Direct Dialogue
Regular meetings between the Special Representative of the Secretary-General and Heads of Liaison Offices in Pristina and Embassies in Belgrade to secure their continued support for the direct dialogues process	11	Monthly meetings between the Special Representative of the Secretary-General and Heads of Liaison Offices in Pristina
	5	Meetings with diplomatic staff of Embassies in Belgrade
Preparation of and participation in regular meetings between the Special Representative of the Secretary-General and external international community stakeholders and visited key capitals as necessary	63	Visits by the Special Representative of the Secretary-General and Deputy Special Representatives to key capitals in the region

Regular monitoring of the PISG's progress on its effectiveness in transferred areas	Yes	Monitored the implementation of 3 pilot municipal units (Junik/Junik, Hani i Elezit/Đeneral Janković and Mamushë/Mamuša) by the Ministry of Local Government Administration Monitored the activities of the Ministry of Culture, Youth and Sports in the field of reconstruction of Serbian Orthodox churches funded by the Council of Europe and the United Nations Educational, Scientific and Cultural Organization through the Reconstruction Implementation Commission Monitored progress and development of the PISG proposed draft Law on Cultural Heritage to ensure compliance with the European Union standards and international community priorities for Standards implementation, as well as the priorities of the Office of the Special Envoy within the context of talks on the preservation of cultural heritage

Expected accomplishment 1.4: enhanced cooperation with Serbia and Montenegro, regional neighbours and international organizations

Planned indicators of achievement	*Actual indicators of achievement*
Agreements reached with Belgrade and Podgorica and regional neighbours on recognition of UNMIK travel documents, visa-free travel, vehicle licence plates and insurance documents	Of 39 neighbouring countries, only Albania and the former Yugoslav Republic of Macedonia recognized UNMIK travel documents and accepted visa-free holders of UNMIK travel documents entering their territories UNMIK travel documents, vehicle licence plates and insurance documents issued to Kosovans were not recognized by Belgrade, Podgorica or neighbouring countries
Signing of agreements and memorandums of understanding on police cooperation, environment, energy and education with Belgrade and Podgorica and regional neighbours	Under the Athens process, UNMIK representatives attended regular meetings related to Athens Energy Treaty negotiations (Permanent High Level Group, Ministerial Council and Athens Forum). The Treaty that established the Energy Community (Athens Treaty) was signed in October 2005 between the European Union and South-Eastern Europe (Albania, Bulgaria, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Romania, the then Serbia and Montenegro and UNMIK) UNMIK signed cooperation agreements with Albania in the areas of police and justice (1 November 2005), education and science (8 May 2006) and tourism (9 May 2006) Negotiations with Turkey on a cooperation agreement in the field of tourism were concluded in June 2006 and the agreement was expected to be signed in January-February 2007

Signing of Free Trade Agreements with 5 regional neighbours	A free trade agreement with the former Yugoslav Republic of Macedonia officially came into force on 2 February 2006 Negotiations for a free trade agreement with Bosnia and Herzegovina were concluded on 15 February 2006 with the agreement expected to be formalized in the 2006/07 period The South-Eastern European countries (Albania, Bosnia and Herzegovina, Croatia, the former Yugoslav Republic of Macedonia, Serbia and Montenegro and UNMIK/Kosovo) began negotiations in June 2006 for a Central European Free Trade Area (CEFTA) which will replace existing and future bilateral free trade agreements Negotiations with regional neighbours in other economic sectors continued
Conclusion of 10 memorandums of understanding and agreements (including on double taxation and investment protection) with regional neighbours	27 memorandums of understanding and agreements were concluded on investments and regional cooperation and development

Planned outputs	*Completed (number or yes/no)*	*Remarks*
Ensuring of the signing of PISG's implementation of agreements with regional governments	Yes	Verified implementation by the PISG of the existing free trade agreements signed with Albania (1 June 2003) and with the former Yugoslav Republic of Macedonia (2 February 2006)
Promotion, through visits and letters, of visa-free travel within the region for UNMIK travel document holders to enhance freedom of movement	No	Of 39 neighbouring countries, only Albania and the former Yugoslav Republic of Macedonia accepted visa-free entry
Participation in 6 bilateral and multilateral conferences and initiatives such as the South-East European Cooperation Process	12	Participated in the organization of Stability Pact National Coordinators and Working and Regional Tables meetings
	4	Participated in negotiations on free trade agreements related to the Central European Free Trade Agreements
	5	Regional meetings related to the Athens Energy Treaty negotiations
	4	South-East European Cooperation Process (SEECP) summits
	5	Bilateral and multilateral conferences under the auspices of SEECP and the Stability Pact (Conference of Small and Medium Enterprises and European Charter for Small Enterprises in October 2005; European Aviation Summit in May 2006; European Common Aviation Area signing ceremony in June 2006; European Charter for Small Enterprises in June 2006; Disaster Preparedness in March 2006)

Monitoring of the PISG's implementation of recommendations stemming from the European Union Stabilization and Association Progress Tracking Mechanism process	Yes	Monitored implementation by the PISG of recommendations of the Stabilization and Association Process Tracking Mechanism (STM). Participated in two STM meetings (December 2005 and March 2006); three STM sectoral workshops; a workshop on transport (October 2005); a workshop on trade, customs and tax (March 2006); and a workshop on rural development (June 2006)
Energy exchange with Serbia and Montenegro and neighbouring countries and full integration into the South-Eastern Europe Regional Energy Market	Yes	Energy exchanged between Korporata Energjetica Kosoves (KEK); Korporata Elektroenergjetike Shqiptare (Albania); Elektroprivreda Srbije (Serbia); Elektro Stopanstvo na Makedonija (former Yugoslav Republic of Macedonia); Elektro Privreda Crne Gore Ad-Niksic (Montenegro); and Natsionalna Elektricheska Kompania (Bulgaria) Fully integrated into the South-Eastern Europe Regional Energy Market (Athens Energy Community Treaty signed on 25 October 2005)
Conclusion of technical agreements with authorities in Belgrade, including recognition of Kosovo vehicle license plates, return of civil and cadastral documentation to Kosovo, cultural archives and artefacts	No	Although no new agreements were concluded, advice was provided on the organization of meetings of cultural coordinators from Pristina and Belgrade in February and April 2006 who agreed to establish 4 working groups on issues related to return of documents, artefacts, archaeology and exchange of artists

Expected accomplishment 1.5: transition of Kosovo to a market economy

Planned indicators of achievement	*Actual indicators of achievement*
Establishment of economic legislative framework and regulatory instruments, such as administrative directives, in compliance with European Union standards	Economic legislative framework established and regulatory instruments promulgated in compliance with European Union standards with respect to laws on corporate profits, customs, excise tax, reorganization and liquidation of enterprises and their assets, foreign investment, energy sector rules on pricing and tariffs, licensing of energy activities, schedule of fees, public register, and administrative fines and measures
Establishment of local institutions for energy, railways, anti-corruption, telecommunications, water and waste	Local institutions established in December 2005 to June 2006, including Korporata Energjetica Kosoves joint stock company; Energy Transmission System Operator joint stock company; UNMIK Railways joint stock company; 7 regional water joint stock companies; and 7 regional waste joint stock companies Anti-corruption agency law adopted by the Assembly of Kosovo and promulgated by the Special Representative of the Secretary-General; anti-corruption agency director appointed in July 2006 with agency expected to become operational in the 2006/07 period

Planned outputs	*Completed (number or yes/no)*	*Remarks*
Promulgation of 40 regulations/laws, in accordance with European Union standards, in the areas of domestic trade, agricultural lands, fiscal matters, energy, mining and telecommunications	37	Regulations/laws promulgated in the areas of economic and fiscal matters, taxation, money laundering, concessions, foreign investments, liquidation of enterprises, agricultural lands and land allocation, customs, budgetary matters, corporate profits, mines, industry and media
Development and promulgation of 20 regulations in areas of railways, civil aviation and land-right titles	14	Regulations developed and promulgated in the areas of agricultural lands and land allocation, liquidation of enterprises, resolution of claims with respect to private immovable property, concessions and civil aviation
Development and promulgation of legal framework for Kosovo's access to funding sources	Yes	Developed and promulgated legal framework for access to funding sources through the Kosovo Development and Strategy Plan and the Public Investment Programme through the identification of projects for donor or financial institution funding Law on Foreign Investment promulgated on 28 April 2006 (UNMIK Regulation 2006/28)
Legal advice on implementation of incorporation of all (56) publicly owned enterprises	Yes	7 regional and water companies, 7 regional waste companies, 3 irrigation companies, 1 landfill management company, 1 electricity generation company and 1 energy transmission company incorporated (incorporation process designed, documentation reviewed and amended as required, terms of reference drafted, process directed and supervised) As at 30 June 2006, the incorporation of 36 publicly owned enterprises was to be completed

Component 2: rule of law

Expected accomplishment 2.1: Progress towards an impartial, professional and multi-ethnic police, justice and penal system

Planned indicators of achievement	*Actual indicators of achievement*
Local staff, under international supervision, perform executive functions in justice sector in penal management, court liaison, judicial inspection, victim advocacy and assistance, and forensics	6 penal facilities managed by local staff Local staff occupied all key positions in the Penal Management Division (PMD) (including Head of Probation and Parole, Commissioner of Kosovo Correctional Service (KCS), Head of Security and Operations, Head of KCS Medical Service and Head of KCS Legal and Engineering Department). (International staff to assume executive functions in the Dubrava Prison in emergency situations (Regulation 2006/26)) Local staff headed the Department of Civil Rights (including the Victims Advocacy and Assistance Unit and the Court Liaison Office programme (Department of Civil Rights)

	The Victims Advocacy and Assistance Unit and Judicial Integration Section was transferred from international executive authority to the Department of Civil Rights of the newly established Ministry of Justice on 1 January 2006
	The Judicial Inspection Unit was headed by a local staff (supervised by international staff), while the caseload was evenly distributed among 2 international and 10 local inspectors
	34 local staff in the Office of Missing Persons and Forensics performed executive functions
Local prosecutors and judges handle 70 per cent of cases in relation to organized crime, human trafficking, crime against ethnic minorities, terrorism and corruption, compared to 40 per cent in 2004/05	77 per cent of cases related to organized crime, human trafficking, terrorism and corruption were handled by local prosecutors
Specialist units responsible for investigating organized crime, terrorism, corruption and inter-ethnic crimes are fully staffed with Kosovo Police Service (KPS) officers	Positions of Assistant Commissioner and officers at the rank of Lieutenant Colonel were fully filled. As at November 2006, vacancy rates for officers at other ranks were as follows: Major — 60 per cent, Captain — 30 per cent, Lieutenant — 5 per cent, Sergeant — 31 per cent and police officers — 42 per cent. The position at the rank of Colonel was not filled
	Vacancy rates were attributable to delayed completion of recruitment and promotion exercises
Increase in the number of KPS members from 6,535 to 7,300	7,219 officers as of 30 June 2006
Decrease in backlog of civil cases from an estimated 20,000 pending civil cases in 2004/05 in all courts in Kosovo by 15 per cent in 2005/06	The Kosovo Judicial Council, with assistance from the National Centre for State Courts, defined backlog through the application of agreed time standards for solving cases. The number of civil and criminal cases unsolved at the end of June 2006 stood at 145,718

Planned outputs	*Completed (number or yes/no)*	*Remarks*
Promulgation of Kosovo Police legislation	Yes	The legislation on the Framework and Guiding Principles of the Kosovo Police Service was promulgated on 20 December 2005
Identification and training of 5 KPS anti-riot units and establishment of the specialized central operations and investigatory units as part of the KPS transition plan	Yes	11 Regional Operations Support Unit (platoons) and 11 standby platoons established, trained and deployed in each of the 6 police regions
		Major Crime Directory transitioned (Mission headquarters level) on 13 February 2006; Crime Analysis Directory (Mission headquarters level) on 3 May 2006; Forensic Directory (Mission headquarters level); Regional Investigation Units transitioned to KPS in Pristina on 6 September 2005, in Pec on 23 September 2005

Recruitment of 450 additional officers in KPS Border and Boundary Police up to full strength of 1,400	No	694 KPS Border Police as at 30 June 2006 with 25 additional officers recruited owing to KPS budgetary constraints and operational priorities
Participation in monthly meetings of local crime prevention/community safety councils in all municipalities	Yes	Monthly meetings with Police Station Commanders
Appointment of 13 local prison directors and 35 deputy directors, 1 Prison Commissioner and 4 Deputy Prison Commissioners to manage all 8 correctional facilities	9	Prison Directors
	4	Principal Deputies
	34	Deputy Directors
	1	Prison Commissioner
	2	Deputy Prison Commissioners
	7	Correctional facilities managed
		One facility which was extensively refurbished is scheduled to be reopened under local management in early 2007
Training of 7 local judicial inspectors to investigate judicial misconduct by local judges and prosecutors and 5 local judicial auditors on internal compliance reviews	10	Local judicial inspectors trained
	7	Local judicial auditors trained
Establishment of 7 Court Liaison Offices in addition to 8 established in 2004/05, to ensure that ethnic minorities have access to courts	1	Court Liaison Office was established (2 Court Liaison Offices were established in July 2006. As at November 2006, 11 Court Liaison Offices had been established)
Promulgation of legislation for the establishment of an Office of Notary Public run by local staff	No	The draft notary law compiled by a working group with representatives of the judiciary, court administration and international experts was submitted by the Ministry of Justice to the Office of the Prime Minister in March 2006 for review
		The draft was revised by the working group appointed by the Office of the Prime Minister. The Department of Legal Affairs of the Ministry of Justice completed the cost assessment to accompany the law, which was presented to the Assembly
Recruitment, training and supervision of 6 local forensic pathologists	No	The recruitment of forensic pathologists was suspended in February 2006, pending discussions on the possible merging of the Forensic Institute of Pristina with the Medical Examiner's Office under the Office of Missing Persons and Forensics
		3 out of 4 of UNMIK forensic pathologists were dismissed in April 2006 for misconduct. UNMIK had

		6 forensic pathologists on the Coimbra University training course, 3 of whom are expected to be recruited in early 2007, bringing the total number to 4
Public information campaigns on rule of law throughout Kosovo, including printed materials, public radio and television coverage	Yes	59 articles on the Rule of Law Standard published in the magazine *Focus Kosovo* and the newsletter *Danas i Sutra* (*Today and Tomorrow*) 36 stories on the Rule of Law Standard broadcast on the television show *Ekonomia e Re* (*New Economy*) and *Danas i Sutra* (*Today and Tomorrow*) on Radio and Television Serbia 2 public service announcements delivered to 3 television stations in support of rule of law and respect for all communities
Training of 150 KPS officers to investigate organized crime, terrorism, corruption and inter-ethnic crimes	Yes	135 KPS officers trained Lower number of officers trained owing to lack of suitably qualified investigators
Recruitment and training of 10 local officers for the Financial Information Centre	No	The Financial Information Centre (FIC) had initiated the hiring process for the local staff. A proposal had been submitted to the Ministry of Public Services regarding the possibility of providing higher wages for the future FIC local staff. A projected 11 local staff were expected to be hired by the end of December 2006 and trained by May 2008
Appointment and training of 14 local prosecutors for the Kosovo Special Prosecutor's Office	No	The UNMIK regulation establishing the Kosovo Special Prosecutor's Office had not been finalized owing to lengthy negotiations between the Legal Adviser and the Department of Justice (the regulation was finalized and promulgated in September 2006). An International trainer had begun to structure a training programme for the Special Prosecutors. The Director of the Department of Justice and the head of the Criminal Division visited regional offices of the Public Prosecutor of Kosovo to explain the programme and attract applications. Initial steps had been taken to recruit candidates for appointment

Expected accomplishment 2.2: Maintaining law and order

Planned indicators of achievement	*Actual indicators of achievement*
No increase in number of crimes against persons (8,456 in 2003/04) and property (18,648 in 2003/04)	5.1 per cent reduction in crime against persons (7,624 in 2004/05 compared to 7,233 in 2005/06) and 15.8 per cent reduction in crime against property (19,119 in 2004/05 compared to 16,096 in 2005/06)

Increase in identification of suspects of criminal acts against persons from 77 per cent in 2003/04 to 80 per cent in 2005/06, and against property from 45 per cent in 2003/04 to 48 per cent in 2005/06	Identification of suspects of criminal acts against persons increased from 82.93 per cent in the 2004/05 period to 83.25 per cent in 2005/06, but decreased from 35.21 per cent in the 2004/05 period to 32.57 per cent in 2005/2006 with respect to criminal acts against property

Planned outputs	*Completed (number or yes/no)*	*Remarks*
Provision of security during public gatherings, including political rallies, sports events, protests and demonstrations	Yes	Standard public disorder response plans implemented in all regions. Kosovo Police Service patrol units provided general security at events with support from Regional Operations Support Units at elevated threat levels. International formed police units remained on standby to support Regional Operations Support Units. The Kosovo Force (KFOR) assisted UNMIK Police during the Vidov Dan celebrations in June 2006 as a precautionary and preventative measure
Maintenance of International Police Special Operations personnel strategically located throughout Kosovo for the management of serious crisis. This force includes hostage rescue, close protection capacity for the provision of permanent security to 12 persons at risk and for up to 100 ad hoc tasks, conduct of 150 reconnaissance and surveillance taskings by the Police Aviation Support Unit (146 in 2003/04), and availability of 2 dog units	Yes	The Close Protection Unit, strategically located throughout Kosovo, protected 27 high-ranking officials and took part in 50 special details in connection with VIP visits to Kosovo; the Special Firearms Unit took part in 40 tasks and was on standby for 20 serious incidents; the Police Aviation Support Unit flew 60 hours; and dog units carried out daily tasks (explosives and drug searches at airport, borders and patrols)
Provision of security 24 hours a day, 7 days a week at 13 border and boundary points and the airport	Yes	

Component 3: support

Expected accomplishment 3.1: Effective and efficient logistical and administrative support to the Mission

Planned indicators of achievement	*Actual indicators of achievement*
Reduction in the percentage of total inventory value awaiting write-off and disposal from 0.8 per cent as at 30 June 2005 to less than 0.5 per cent as at 30 June 2006	The value of inventory awaiting write-off and disposal was reduced by 0.8 per cent from 5.4 per cent of total inventory value as of 30 June 2005 to 4.6 per cent as at 30 June 2006 because of a significant increase in the value of inventory subject to write-off during the 2005/06 period ($9.49 million compared to $5.72 million in the 2004/05 period), owing to the downsizing of the Mission and the increased number of assets beyond useful economic life

Increase of 5 per cent in the utilization of UNMIK vehicles from the currently projected 2,045 km vehicle/month for standard vehicles and 1,206 km vehicle/month for heavy trucks in 2004/05 to 2,147 km vehicle/month for standard vehicles and 1,266 km vehicle/month for heavy trucks in 2005/06	Utilization rate for standard vehicles decreased by 16.3 per cent from 2,045 km/vehicle/month in the 2004/05 period to 1,711 km/vehicle/month in the 2005/06 period owing to reduced utilization of vehicles in connection with the restructured offices of the Mission's civil administration pillar Utilization rate for heavy trucks increased by 6.8 per cent from 1,206 km/vehicle/month in the 2004/05 period to 1,288 km/vehicle/month in the 2005/06 period owing to increased road convoys to the United Nations Logistics Base to deliver surplus equipment released as a result of the downsizing and restructuring of the Mission

Planned outputs	*Completed (number or yes/no)*	*Remarks*
Implementation of inventory write-off and disposal project	No	Implementation of the inventory write-off and disposal project is scheduled for September 2006
Implementation of vehicle utilization improvement project, using the CarLog system	Yes	494 vehicles identified in the CarLog system as vehicles with high mileage utilization rates were withdrawn from service for disposal
		All sections and departments exceeding the current vehicle-to-staff ratios returned excess vehicles
		Allocation of vehicles to users was based on information recorded in the CarLog system. In cases of vehicle under-utilization, no additional vehicles were provided and vehicles were reallocated to other users
		The Mission's vehicle replacement programme was cancelled. The life cycle of the existing vehicle fleet was extended
		In the context of the downsizing of the Mission, shuttle bus routes were combined, resulting in the delivery of transportation services with fewer drivers
Emplacement, rotation and repatriation for an average strength of 38 military liaison officers	37	Average military liaison officers strength
		Lower average strength owing to medical evacuation of one military liaison officer
Administration of an average strength of 1,800 civilian police and 532 special police unit members	1,690	Average United Nations police strength
		Lower average strength owing to the faster than anticipated drawdown of police personnel in the context of the downsizing of the Mission
	538	Average special police strength
		Higher average strength owing to the need to enhance security in the Dubrava and Mitrovica prisons as well as

		to maintain a strong police presence in the Serbian areas throughout the future status process
Administration of an average number of 729 international staff, 2,368 national staff and 250 United Nations Volunteers	603	Average international staff Lower incumbency is due to a 3-month hiring freeze in the context of the restructuring of the Mission's civil administration pillar (subsequently reported to the General Assembly in the 2006/07 budget for the Mission (A/60/684 and Corr.1))
	2,276	Average national staff Lower incumbency is due to maintaining vacant post as being vacant in the context of the downsizing of the Mission's civil administration pillar
	191	Average United Nations Volunteers Lower incumbency was due to the restructuring of the Mission's civil administration pillar
Maintenance and repair of 55 premises	59	Higher output attributable to the retention of 4 premises originally planned for handover to the PISG in the context of the Mission's downsizing. The retained premises included the Mission headquarters compound owing to the cancellation of its relocation based on security considerations, 2 Special Police Unit camps owing to the retention of special police personnel in the Mission and a supply store owing to cost-effectiveness considerations
Operation and maintenance of 2,208 vehicles, including 40 armoured vehicles, in 5 locations	2,145	Vehicles maintained including 65 armoured vehicles Higher number of armoured vehicles owing to cancellation of the planned repatriation of 2 Special Police Units and delayed transfer of armoured vehicles to the United Nations Mission in the Sudan
	5	Locations
Operation and maintenance of one fixed-wing aircraft and one rotary-wing	1	Helicopter Contract for one fixed-wing aircraft cancelled because of high operational costs and establishment of reliable commercial flights from Pristina Airport
Support and maintenance of 526 Wide Area Networks (WANs), 3,978 desktops, 157 servers, 740 laptops, 3,768 printers and 89 scanners, in 8 locations	72	WANs Lower number of WANs is attributable to consolidation of WAN infrastructure owing to the drawdown of civilian personnel in the context of the restructuring of the Mission's civil administration pillar

	4,494	Desktops
		Higher number of desktop computers attributable to backup support for the liaison office at Skopje and curtailment of the planned drawdown of police personnel during the final 4 months of the financial period
	170	Servers
		Higher number of servers owing to additional storage capacity required for backup support for the liaison office at Skopje
	843	Laptops
		Higher number of laptop computers attributable to the curtailment of the planned drawdown of police personnel during the final 4 months of the financial period
	2,923	Printers
		Lower number of printers attributable to implementation of network printing, which resulted in the withdrawal of stand-alone printers
	54	Scanners
		Reduced requirements for scanners
	8	Locations
		In addition, supported 4,369 telephone extensions, 3,275 network users, 5,346 e-mail accounts, a monthly average of 6,363 pages of facsimile transmission, 20,212 customer support calls, 3,099 maintenance work orders and Internet connectivity Mission-wide, including routing through UNLB
Operation and maintenance of one level-I clinic in Pristina and 4 basic level clinics (one in each region) for an average number of 5,717 Mission personnel and 250 other non-United Nations agencies beneficiaries	1	Level-I clinic in Pristina
	4	Basic level clinics (one in each region)
	6,691	Mission personnel as well as 1,000 personnel from United Nations agencies owing to lack of recognized medical facilities in Pristina
	250	Other non-United Nations agency beneficiaries
		In addition, 17,100 out-patient consultations and 177 hospitalizations
	18	Medical evacuations
	8	Medical repatriations

Operation and maintenance of HIV voluntary counselling and testing facilities for all personnel	Yes	259 personnel counselled and tested
HIV sensitization programme for all personnel, including peer education	Yes	Including briefing to all new United Nations personnel, distribution of condoms and dissemination of information through monthly newsletters and quarterly pamphlets Peer education provided to all national staff of the Mission
Completion of "Basic Security in the Field — Staff Safety, Health and Welfare" programme by all new international and national staff	Yes	Approximately 80 per cent of staff completed the programme within 30 days of arrival
Relocation of the Mission headquarters from its present location to the Administrative headquarters compound owing to security considerations after March 2004 riots in Kosovo	No	The planned relocation of the Mission headquarters was cancelled upon relocation of the local market to the area adjacent to the Administrative headquarters compound, with the only access route to the market passing in front of the compound. As a result of security risk assessment, the Mission determined that in the event of civil unrest, evacuation of its personnel would be compromised

III. Resource performance

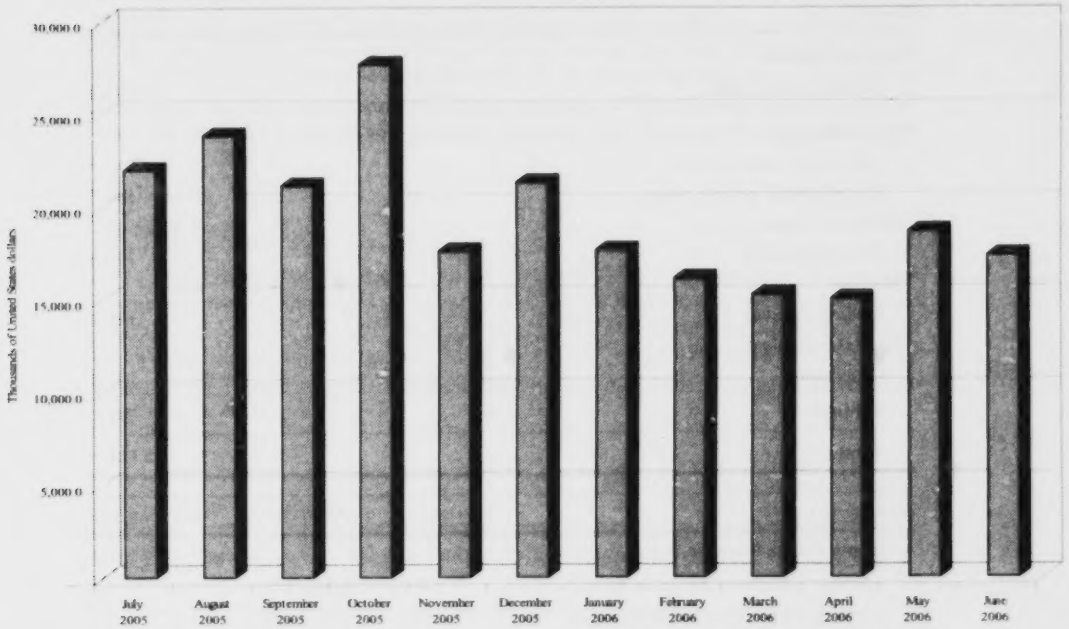
A. Financial resources

(Thousands of United States dollars. Budget year is from 1 July 2005 to 30 June 2006.)

			Variance	
	Apportionment	*Expenditure*	*Amount*	*Percentage*
Category	*(1)*	*(2)*	*(3)=(1)-(2)*	*(4)=(3)÷(1)*
Military and police personnel				
Military observers	1 398.9	1 610.4	(211.5)	(15.1)
Military contingents	—	—	—	—
United Nations police	54 685.8	57 873.3	(3 187.5)	(5.8)
Formed police units	10 540.5	10 746.5	(206.0)	(2.0)
Subtotal	**66 625.2**	**70 230.2**	**(3 605.0)**	**(5.4)**
Civilian personnel				
International staff	84 928.1	80 800.2	4 127.9	4.9
National staff	43 327.4	46 538.8	(3 211.4)	(7.4)
United Nations Volunteers	9 979.4	8 476.5	1 502.9	15.1
Subtotal	**138 234.9**	**135 815.5**	**2 419.4**	**1.8**
Operational costs				
General temporary assistance	93.9	165.6	(71.7)	(76.4)
Government-provided personnel	—	—	—	—
Civilian electoral observers	—	—	—	—
Consultants	—	109.5	(109.5)	—
Official travel	1 031.3	1 262.9	(231.6)	(22.5)
Facilities and infrastructure	14 252.1	10 991.2	3 260.9	22.9
Ground transportation	5 425.8	4 497.7	928.1	17.1
Air transportation	2 376.7	770.4	1 606.3	67.6
Naval transportation	—	—	—	—
Communications	5 013.6	3 373.6	1 640.0	32.7
Information technology	4 162.7	3 518.7	644.0	15.5
Medical	386.3	1 405.0	(1 018.7)	(263.7)
Special equipment	55.8	145.0	(89.2)	(159.9)
Other supplies, services and equipment	2 231.5	1 468.3	763.2	34.2
Quick-impact projects	—	—	—	—
Subtotal	**35 029.7**	**27 707.9**	**7 321.8**	**20.9**
Gross requirements	**239 889.8**	**233 753.6**	**6 136.2**	**2.6**
Staff assessment income	20 054.1	19 321.3	732.8	3.7
Net requirements	**219 835.7**	**214 432.3**	**5 403.4**	**2.5**
Voluntary contributions in kind (budgeted)	—	—	—	—
Total requirements	**239 889.8**	**233 753.6**	**6 136.2**	**2.6**

B. Monthly expenditure pattern

Monthly expenditures



7. Higher expenditures in August and October 2005 were attributable to the recording in UNMIK accounts of obligations raised for the reimbursement of formed police-contributing Governments for standard police costs, equipment and self-sustainment.

C. Other income and adjustments

(Thousands of United States dollars)

Category	*Amount*
Interest income	1 655.4
Other/miscellaneous income	1 890.1
Prior-period adjustments	(20.7)
Savings on or cancellation of prior-period obligations	2 959.8
Total	**6 484.6**

D. Expenditure for contingent-owned equipment: major equipment and self-sustainment

(Thousands of United States dollars)

Category	*Expenditure*
Major equipment	
Formed police units	**1 908.4**
Self-sustainment	
Facilities and infrastructure	
Miscellaneous general stores	146.7
Communications	
Communications	230.0
Medical	
Medical services	190.0
Special equipment	
Observation	145.0
Subtotal	**711.7**
Total	**2 620.1**

Mission factors	*Percentage*	*Effective date*	*Last review date*
A. Applicable to Mission area			
Extreme environmental condition factor	1.0	10 June 1999	—
Intensified operational condition factor	0.8	10 June 1999	—
Hostile action/forced abandonment factor	1.0	10 June 1999	—
B. Applicable to home country			
Incremental transportation factor	1.75-2.0		

IV. Analysis of variances[1]

	Variance	
Military observers	($211.5)	(15.1%)

8. The variance of $211,500 under this heading is attributable to the costs incurred for the medical evacuation and prolonged hospitalization of one military liaison officer who sustained a serious service-related injury.

[1] Resource variance amounts are expressed in thousands of United States dollars. Analysis is provided for variances of at least plus or minus 5 per cent and $100,000.

	Variance	
United Nations police	($3,187.5)	(5.8%)

9. The variance of $3,187,500 under this heading is attributable to additional requirements with respect to mission subsistence allowance owing to the curtailment of the planned drawdown of police personnel during the final four months of the financial period due to security reinforcement measures undertaken by the Mission throughout Kosovo during the final status process, which resulted in a lower actual vacancy rate than budgeted (6.1 per cent compared to 15 per cent budgeted).

	Variance	
National staff	($3,211.4)	(7.4%)

10. The variance of $3,211,400 under this heading is attributable to higher than budgeted actual grade levels of national staff (while budgeted resources were based on the G-3 level of the national staff salary scale, 71.8 per cent of national staff were at the G-4 and higher grade levels), as well as to the conversion of 878 eligible national staff from appointments of limited duration (300 series) to fixed-term contracts (100 series).

	Variance	
United Nations Volunteers	$1,502.9	15.1%

11. The variance of $1,502,900 under this heading is attributable to the imposition of a freeze in the deployment of United Nations Volunteers owing to the restructuring of the Mission's civil administration pillar into a smaller Department of Civil Administration (subsequently reported to the General Assembly in the Mission's budget for the 2006/07 period (A/60/684 and Corr.1)), which resulted in an actual average vacancy rate of 23.6 per cent compared to the non-application of vacancy rates with respect to budgeted resources. Savings were partially offset by the recording in the Mission's account of expenditures in the amount of $1.0 million pertaining to prior periods owing to delayed charges received from United Nations Volunteers Bonn.

	Variance	
Consultants	($109.5)	—

12. The variance of $109,500 under this heading is attributable to the engagement of consultancy services for: (a) enhancing the Mission's capability in addressing the concerns of minority communities, supporting minority communities in the formulation and channelling of their concerns into political processes, identifying opportunities to support minority leaders to work towards a multi-ethnic Kosovo and local confidence-building measures; (b) conduct of a comprehensive review of the progress made by the Kosovo Provisional Institutions of Self-Government in meeting the standards, in order to assess the situation and the conditions for the possible next steps in the process.

	Variance	
Official travel	($231.6)	(22.5%)

13. The variance of $231,600 under this heading is attributable primarily to additional requirements with respect to consultative and political assessment travel of the Special Representative of the Secretary-General and senior political staff in connection with shuttle diplomacy and negotiations on the future status process for Kosovo.

	Variance	
Facilities and infrastructure	$3,260.9	22.9%

14. The variance of $3,260,900 under this heading is attributable primarily to reduced requirements under maintenance services owing to more favourable negotiated contracts with respect to catering and cleaning services. The restructuring of the Mission's civilian administrative pillar and the consequent lower civilian personnel incumbency contributed to reduced requirements, particularly with respect to stationery and office and maintenance supplies as well as alteration and renovation services. In addition, the cancelled relocation of the Mission headquarters owing to security considerations resulted in reduced requirements with respect to prefabricated facilities, construction services, spare parts and supplies as well as reduced requirements for field defence supplies because of the transfer of some responsibilities and duties to the Kosovo Police Service.

15. The savings were offset in part by additional requirements with respect to utilities owing to the retroactive payments for electricity charges covering a period from 1999 to 2004 as well as additional requirements for petrol, oil and lubricants because of a 67 per cent increase ($0.70 actual compared to $0.42 budgeted) in the price per litre of diesel fuel during the reporting period.

	Variance	
Ground transportation	$928.1	17.1%

16. The variance of $928,100 under this heading is attributable primarily to cancellation of the planned replacement of 8 heavy vehicles and 2 trailers as well as reduced requirements with respect to spare parts owing to the withdrawal of 494 standard 4x4 vehicles from use because of high maintenance costs. The savings were offset in part by additional requirements for petrol, oil and lubricants owing to higher fuel consumption by the Mission's ageing vehicle fleet (the majority of vehicles were 6 to 10 years old) as well as 67 per cent and 35 per cent increases in the prices per litre of diesel fuel ($0.70 actual compared to $0.42 budgeted) and petrol ($0.65 actual compared to $0.48 budgeted), respectively.

	Variance	
Air transportation	$1,606.3	67.6%

17. The variance of $1,606,300 under this heading is attributable primarily to the cancellation of the contract for the charter of one fixed-wing aircraft owing to the establishment of reliable commercial air transportation services from Pristina Airport and reduced requirements for the charter of one rotary-wing aircraft stemming from more favourable contract terms.

	Variance	
Communications	$1,640.0	32.7%

18. The variance of $1,640,000 under this heading is attributable primarily to reduced requirements with respect to commercial communications owing to the implementation of enhanced internal controls Mission-wide through assignment to staff of Personal Identification Numbers (PIN) to improve monitoring of local telephone calls, more favourable Internet service rates and lower actual cost of communications equipment purchased through system contracts and communications support services under a new contract, as well as reduced requirements for public information services owing to internal production of public service announcements as opposed to their outsourcing, cancellation of a joint public information campaign with the Government and assumption of the full costs of production of a television programme by the European Union.

19. The savings were offset in part by additional requirements with regard to maintenance of equipment owing to the upgrading of the Mission's 2-way digital radio system (secure), which included a package of spare parts.

	Variance	
Information technology	$644.0	15.5%

20. The variance of $644,000 under this heading is attributable primarily to lower unit costs with respect to the acquisition of desktop computers and servers and reduced requirements for the acquisition of software packages owing to the negotiation of a more favourable Enterprise Agreement. Additionally, the implementation of network printing resulted in the withdrawal of stand-alone printers with a consequent reduction in requirements for spare parts.

	Variance	
Medical	($1,018.7)	(263.7%)

21. The variance of $1,018,700 under this heading is attributable to additional requirements for the implementation by the Mission of avian influenza contingency plans, increased cost of medical services provided to civilian police and military liaison officers at non-United Nations facilities and additional requirements for self-sustainment reimbursement costs owing to the cancellation of the planned repatriation of two special police units.

	Variance	
Other supplies, services and equipment	$763.2	34.2%

22. The variance of $763,200 under this heading is attributable primarily to reduced requirements for bank charges owing to favourable bank rates negotiated by the United Nations Treasury as well as rates offered by the local bank, cancellation of procurement action with respect to some uniform items because of delays in the bidding process and reduced requirements for inland transportation due to the utilization of UNMIK heavy vehicles for the provision of transportation services between Kosovo and various seaports rather than commercial road haulage.

V. Actions to be taken by the General Assembly

23. The actions to be taken by the General Assembly in connection with the financing of UNMIK are:

(a) To decide that Member States shall waive their respective shares in other income for the period ended 30 June 2006 amounting to $6,484,600, and their respective shares in the amount of $368,500 from the unencumbered balance of $6,136,200 for the period ended 30 June 2006, to be applied to meeting the current and future after-service health insurance liabilities of the United Nations;

(b) To decide on the treatment of the remaining unencumbered balance of $5,767,700 for the period ended 30 June 2006.